GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:61
ANSWERED ON:03.03.2008
PACKAGE TO FARMERS
Chinta Mohan Dr. ;Panda Shri Prabodh

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Union Government proposes to implement the recommendations made by the Radhakrishna Committee on rural indebtedness and to devise a new package for farmers;

(b) if so, the details thereof and the estimated funds to be allocated to implement the package;

(c) the estimated number of farmers who have gone out of the institutional credit system in the country at present; and

(d) the steps taken to ensure that farmers are not deprived of the loan schemes of the Government?

Answer

MINISTER OF AGRICULTURE(SHRI SHARAD PAWAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 61 DUE FOR REPLY ON 3RD MARCH, 2008.

(a) & (b): Exert Group on Agricultural Indebtedness constituted by the Government of India under the chairmanship of Prof. R. Radhakrishna has submitted its report to the Government and it is in the public domain.

A scheme of debt waiver and debt relief for farmers has been announced by the Government in the Union Budget for 2008-09. Under the Scheme, all agricultural loans disbursed by scheduled commercial banks, regional rural banks and cooperative credit institutions up to March 31, 2007 and overdue as on December 31, 2007 will be covered under the scheme.

For marginal farmers (i.e., holding upto 1 hectare) and small farmers (1-2 hectare), there will be a complete waiver of all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008. In respect of other farmers, there will be a one time settlement (OTS) scheme for all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008. Under the OTS, a rebate of 25 per cent will be given against payment of the balance of 75 per cent. Agricultural loans restructured and rescheduled by banks in 2004 and 2006 through special packages and other loans rescheduled in the normal course as per RBI guidelines, will also be eligible either for a waiver or an OTS on the same pattern. The total value of overdue loans being waived is estimated at Rs.50,000 crore and the OTS relief on the overdue loans is estimated at Rs.10,000 crore.

(c): Such information is not being captured by the existing data reporting system of the banks.

(d): Details are annexed.